Cardinal Health, Inc.

38th Annual JP Morgan Conference

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Chief Executive Officer

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Forward-looking statements and GAAP reconciliation

Cautions Concerning Forward-Looking Statements

This presentation contains forward-looking statements addressing expectations, prospects, estimates and other matters that are dependent upon future events or developments. These statements may be identified by words such as "expect," "anticipate," "intend," "plan," "believe," “will," "should," "could," "would," "project," "continue," "likely," and similar expressions, and include statements reflecting future results or guidance, statements of outlook and various accruals and estimates. These matters are subject to risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied. These risks and uncertainties include competitive pressures in Cardinal Health's various lines of business; the amount or rate of generic deflation and our ability to offset generic deflation and maintain other financial and strategic benefits through our generic sourcing venture with CVS Health and other components of our generics pharmaceutical program; risks associated with the distribution of opioids, including potential financial impact associated with the outcome of the ongoing lawsuits and investigations by certain governmental and regulatory authorities and the risks associated with the ongoing global settlement framework discussions, including the risk that we may fail to reach a settlement agreement or that a final settlement could require us to pay more than we currently anticipate; our ability to manage uncertainties associated with the pricing of branded pharmaceuticals, including decreased branded inflation and possible branded price reductions; risks associated with our ability to improve the performance of our Medical segment’s Cardinal Health Brand Products business; uncertainties due to government health care reform; and risks associated with our cost savings initiatives, including the possibility that they could result in greater charges or expenses than we anticipate, could fail to achieve the desired efficiencies or strategic outcomes and could have unintended consequences, such as business disruption. Cardinal Health is subject to additional risks and uncertainties described in Cardinal Health's Form 10-K, Form 10-Q and Form 8-K reports and exhibits to those reports. This presentation reflects management's views as of January 13, 2020. Except to the extent required by applicable law, Cardinal Health undertakes no obligation to update or revise any forward-looking statement. In addition, this presentation contains non-GAAP financial measures. Cardinal Health provides definitions and reconciliations of non-GAAP financial measures and their most directly comparable GAAP financial measures in the Financial Appendix at the end of this presentation and at ir.cardinalhealth.com.

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Essential facts about Cardinal Health

A global, integrated healthcare products & services company

$146 Billion

of revenues in FY19

We operate in over

45

countries

Approximately

48,000

employees worldwide

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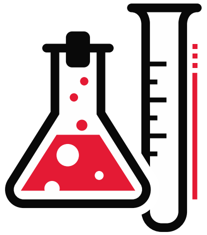
Essential facts about Cardinal Health

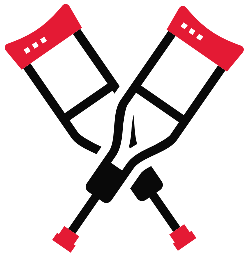
We deliver products and solutions to improve the lives of people every day.

We serve nearly **90%** of U.S. hospitals

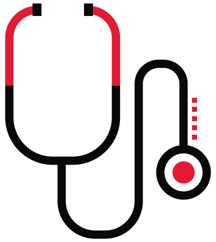


We serve more than **6,500** labs with nearly **51,000** laboratory products

We serve more than **29,000** pharmacies



We serve more than **3 million** patients with more than **46,000** home healthcare products



We serve more than **10,000** specialty physician offices and clinics

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FY19 financial summary

Revenue ($M)	**$145,534**
non-GAAP Operating Earnings[1] ($M)	**$2,353**
non-GAAP Diluted EPS[2]	**$5.28**
Operating Cash Flow ($M)	**$2,722**

[1]FY19 GAAP operating earnings was $2,060M
[2]Attributable to Cardinal Health, Inc. FY19 GAAP diluted EPS was $4.53
Please see appendix for GAAP to Non-GAAP reconciliations.

Two financial reporting segments

Pharmaceutical

FY19 revenues of **$129.9B**

FY19 segment profit of **$1.8B**

Medical

FY19 revenues of **$15.6B**

FY19 segment profit of **$576M**

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Pharmaceutical segment

Pharmaceutical Distribution

Specialty Solutions

Nuclear & Precision Health Solutions

Key drivers of success

- Continue to grow Specialty Solutions
- Invest in higher margin services businesses (e.g. Connected Care)
- Maximize all components of generics program
- Enhance core distribution business
- Improve efficiency and cost position

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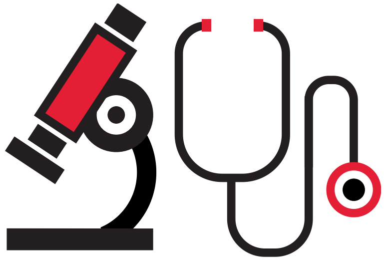
Medical segment



Medical Products

Medical Products Distribution

at-Home Solutions

Services

Key drivers of success

- Continue to grow Cardinal Health at Home
- Invest in higher margin services businesses
- Drive benefits from Medical segment commercial realignment
- Optimize Medical segment supply chain/operational capabilities
- Improve efficiency and cost position

Deploy capital in a disciplined and thoughtful way

Invest in the business for future growth

Maintain appropriate debt leverage

Grow our dividend modestly

Consider strategic M&A

Evaluate opportunistic share repurchases

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CAH Investment Thesis

- **Customers value our capabilities**
  - Essential role in the delivery of healthcare
- **A leader in consolidated industries**
  - Unmatched breadth and scale of offerings including both core and high growth businesses
- **Favorable healthcare trends and patient demographics**
  - An aging population and increased utilization increases demand for our services
- **Pharmaceutical Distribution is stabilizing**
  - Improving market dynamics for generics program; recently renewed core customers to long-term contracts
- **Strong cash flow generation and disciplined approach to capital management**
  - Supports internal investments, allows us to modestly grow our dividend to shareholders, and allows us to remain committed to investment grade credit ratings
- **5-year $500 million cost savings goal**
  - Driving a broader cultural mindset of efficiency and improvement to return to profitable growth

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We are *Essential to care*™



Appendix

GAAP to non-GAAP reconciliation statements
and supplemental financial information

Cardinal Health, Inc. and Subsidiaries

GAAP / Non-GAAP Reconciliation[1]

(in millions, except per common share amounts)	Gross Margin	Gross Margin Growth Rate	Operating Earnings	Operating Earnings Growth Rate	Earnings Before Income Taxes	Provision for/ (Benefit From) Income Taxes	Net Earnings[2]	Net Earnings[2] Growth Rate	Effective Tax Rate	Diluted EPS[2,3]	Diluted EPS[2,3] Growth Rate
	Fiscal Year 2019										
GAAP	**$ 6,834**	**(5)%**	**$ 2,060**	**N.M.**	**$ 1,751**	**$ 386**	**$ 1,363**	**N.M.**	**22.1 %**	**$ 4.53**	**N.M.**
LIFO charges/(credits)	-	-	-		-	-	-			-	
State opioid assessment related to prior fiscal years	-	-	-		-	-	-			-	
Restructuring and employee severance	-	-	125		125	32	93			0.31	
Amortization and other acquisition-related costs	-	-	621		621	148	473			1.57	
Impairments and (gain)/loss on disposal of assets	-	-	(488)		(488)	(113)	(375)			(1.25)	
Litigation (recoveries)/charges, net	-	-	36		36	10	26			0.09	
Loss on extinguishment of debt	-	-	-		-	-	-			-	
Transitional tax benefit, net	-	-	-		-	(9)	9			0.03	
Non-GAAP	**$ 6,834**	**(5)%**	**$ 2,353**	**(9)%**	**$ 2,044**	**$ 453**	**$ 1,589**	**1 %**	**22.1 %**	**$ 5.28**	**6 %**
	Fiscal Year 2018										
GAAP	$ 7,181	10 %	$ 126	(94)%	$ (228)	$ (487)	$ 256	(80)%	213.8 %	$ 0.81	(80)%
LIFO Charges/(credits)	-	-	-		-	-	-			-	
State opioid assessment related to prior fiscal years	-	-	-		-	-	-			-	
Restructuring and employee severance	-	-	176		176	25	151			0.48	
Amortization and other acquisition-related costs	-	-	707		707	176	531			1.69	
Impairments and (gain)/loss on disposal of assets	-	-	1,417		1,417	(44)	1,461			4.64	
Litigation (recoveries)/charges, net	-	-	159		159	48	111			0.35	
Loss on extinguishment of debt	-	-	-		2	1	1			-	
Transitional tax benefit, net	-	-	-		-	936	(936)			(2.97)	
Non-GAAP	$ 7,181	10 %	$ 2,585	(7)%	$ 2,233	$ 655	$ 1,575	(9)%	29.3 %	$ 5.00	(7)%

[1] For more information on these measures, refer to the Use of Non-GAAP Measures and Definitions schedules.
[2] attributable to Cardinal Health, Inc.
[3] GAAP diluted EPS for fiscal year 2019 compared to the prior year period was favorably impacted by the fourth quarter 2018 goodwill impairment charge related to our Medical segment and the gain in fiscal 2019 of $508 million ($378 million after-tax) related to the naviHealth divestiture, offset by the fiscal 2018 transitional benefit from the enactment of the U.S. Tax Cuts and Jobs Act.

The sum of the components may not equal the total due to rounding.

We generally apply varying tax rates depending on the item's nature and tax jurisdiction where it is incurred.

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Cardinal Health, Inc. and Subsidiaries

Forward Looking non-GAAP Measures

In this document, the Company presents certain forward-looking non-GAAP metrics. The Company does not provide outlook on a GAAP basis because the items that the Company excludes from GAAP to calculate the comparable non-GAAP measure can be dependent on future events that are less capable of being controlled or reliably predicted by management and are not part of the Company's routine operating activities. Additionally, management does not forecast many of the excluded items for internal use and therefore cannot create or rely on outlook done on a GAAP basis.

The occurrence, timing and amount of any of the items excluded from GAAP to calculate non-GAAP could significantly impact the Company's fiscal 2020 GAAP results. Over the past five fiscal years, the excluded items have impacted the Company's EPS from $0.75 to $4.19, which includes a goodwill impairment charge of $4.36 per share related to our Medical segment that we recognized in fiscal 2018. The excluded items for fiscal 2020 impacted the Company's first quarter EPS by $17.92, which includes a $17.40 charge related to the opioid litigation.

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Definitions

Interest and Other, net: other (income)/expense, net plus interest expense, net.

Non-GAAP diluted earnings/(loss) per share attributable to Cardinal Health, Inc.: non-GAAP net earnings/(loss) attributable to Cardinal Health, Inc. divided by diluted weighted-average shares outstanding.

Non-GAAP effective tax rate: provision for/(benefit from) income taxes adjusted for (1) LIFO charges/(credits), (2) state opioid assessment related to prior fiscal years, (3) restructuring and employee severance, (4) amortization and other acquisition-related costs, (5) impairments and (gain)/loss on disposal of assets, (6) litigation (recoveries)/charges, net, (7) loss on extinguishment of debt, and (8) transitional tax benefit, (net) divided by (earnings before income taxes adjusted for the first seven items).

Non-GAAP distribution, selling, general and administrative expenses or Non-GAAP SG&A: distribution, selling, general and administrative expenses, excluding state opioid assessment related to prior fiscal years.

Non-GAAP net earnings/(loss) attributable to Cardinal Health, Inc.: net earnings/(loss) attributable to Cardinal Health, Inc. excluding (1) LIFO charges/(credits), (2) state opioid assessment related to prior fiscal years, (3) restructuring and employee severance, (4) amortization and other acquisition-related costs, (5) impairments and (gain)/loss on disposal of assets, (6) litigation (recoveries)/charges, net, (7) loss on extinguishment of debt, each net of tax, and (8) transitional tax benefit, net.

Non-GAAP operating earnings: operating earnings excluding (1) LIFO charges/(credits), (2) state opioid assessment related to prior fiscal years, (3) restructuring and employee severance, (4) amortization and other acquisition-related costs, (5) impairments and (gain)/loss on disposal of assets, and (6) litigation (recoveries)/charges, net.

Segment Profit: segment revenue minus (segment cost of products sold and segment distribution, selling, general, and administrative expenses).

Segment Profit Margin: segment profit divided by segment revenue.

[1] LIFO charges and credits are excluded because the factors that drive last-in first-out ("LIFO") inventory charges or credits, such as pharmaceutical manufacturer price appreciation or deflation and year-end inventory levels (which can be meaningfully influenced by customer buying behavior immediately preceding our fiscal year-end), are largely out of our control and cannot be accurately predicted. The exclusion of LIFO charges and credits from non-GAAP metrics facilitates comparison of our current financial results to our historical financial results and to our peer group companies' financial results.

[2] State opioid assessments related to prior fiscal years is the portion of state assessments for prescription opioid medications that were sold or distributed in periods prior to the fiscal year of the initial assessment. This portion is excluded from non-GAAP financial measures because it is retrospectively applied to sales in prior fiscal years and inclusion would obscure analysis of the current fiscal year results of our underlying, ongoing business. Additionally, while states' laws may require us to make payments on an ongoing basis, the portion of the assessment related to sales in prior periods are contemplated to be one-time, nonrecurring items. Reversals of these accruals have occurred when certain assessments were declared unconstitutional.

[3] Restructuring and employee severance costs are excluded because they are not part of the ongoing operations of our underlying business.

[4] Amortization and other acquisition-related costs, which include transaction costs, integration costs, and changes in the fair value of contingent consideration obligations, are excluded because they are not part of the ongoing operations of our underlying business and to facilitate comparison of our current financial results to our historical financial results and to our peer group companies' financial results. Additionally, costs for amortization of acquisition-related intangible assets are non-cash amounts, which are variable in amount and frequency and are significantly impacted by the timing and size of acquisitions, so their exclusion facilitates comparison of historical, current and forecasted financial results. We also exclude other acquisition-related costs, which are directly related to an acquisition but do not meet the criteria to be recognized on the acquired entity's initial balance sheet as part of the purchase price allocation. These costs are also significantly impacted by the timing, complexity and size of acquisitions.

[5] Impairments and gain or loss on disposal of assets are excluded because they do not occur in or reflect the ordinary course of our ongoing business operations and are inherently unpredictable in timing and amount, and in the case of impairments, are non-cash amounts, so their exclusion facilitates comparison of historical, current and forecasted financial results.

[6] Litigation recoveries or charges, net are excluded because they often relate to events that may have occurred in prior or multiple periods, do not occur in or reflect the ordinary course of our business and are inherently unpredictable in timing and amount.

[7] Loss on extinguishment of debt is excluded because it does not typically occur in the normal course of business and may obscure analysis of trends and financial performance. Additionally, the amount and frequency of this type of charge is not consistent and is significantly impacted by the timing and size of debt extinguishment transactions.

[8] Transitional tax benefit, net related to the Tax Cuts and Jobs Act is excluded because it results from the one-time impact of a very significant change in the U.S. federal corporate tax rate and, due to the significant size of the benefit, obscures analysis of trends and financial performance. The transitional tax benefit includes the initial estimate and subsequent adjustments for the re-measurement of deferred tax assets and liabilities due to the reduction of the U.S. federal corporate income tax rate and the repatriation tax on undistributed foreign earnings.

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